United States
Department of
Agriculture

Office of
Governmental
and Public Affairs

Major News Releases and Speeches

August 28-September 4, 1981

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Speeches

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Remarks prepared for delivery by Secretary of Agriculture John R. Block, GROWMARK, Inc. Annual Meeting, Chicago, Illinois, September 4, 1981

A few weeks ago, a lady from Decatur, Illinois sent an interesting newspaper clipping to my office. Normally, I don't have a chance to read everything that comes through my office—but something about this clipping caught my eye. Maybe because it started by saying: "Pity the Secretary of Agriculture."

It reads: "The law says the Secretary must continue to buy surplus dairy products. The surplus grows greater week by week, until costly storage space is threatened with overflowing. Yet scheme after scheme to sell has gone up in smoke. First the plan to sell to the Russians blew up. Efforts to move the butter to friendly nations met a similar fate.

It would appear that the author is talking about the current dairy support situation we are in. But, that isn't exactly the case. Actually, this clipping came from the Chicago Daily Drovers Journal—in June of 1954—more than 27 years ago. It looks like some things just don't seem to change that much.

Well, agriculture has gone through quite a few changes since 1954. In fact, the world is just beginning to realize how significant these changes have been. Just look at what we have done with production. Since 1950 we have increased our output by nearly 70 percent, while only increasing our input by 4 percent. This has pushed agriculture to the front lines of our nation's economy. We now account for 20 percent of the Gross National Product, we provide nearly a $30 billion trade surplus, and we are the reason why 23 million people have jobs today.

In short, we have taken agriculture out of a vacuum. We have made it important! We did it with a lot of hard work, dedication and pride in our accomplishments. It should not surprise us—nor alarm us—that other sectors of the economy and other government leaders, have turned their eyes towards us. It is a credit to agriculture, because we have shown that our industry can be the Most Valuable Player on the

team— whether we're talking about our national economy, world commerce, or foreign relations. We are entering a new era of responsibility, and we have to be prepared to accept new challenges.

Now I know that some of you are probably thinking: "It's nice to know we're important—but all this talk really doesn't help very much when we hear the latest market reports."

Granted, we are all concerned about today's economic picture. We all know what the markets have been doing as the traders react to high interest rates and the money supply. We all know what inflation has done to us. This translates into net farm income—which has dropped 40 percent during 1980 alone. And if you figure inflation into the picture, its the lowest since the 1930s.

Those of you who know me are also aware that I don't like to dwell on problems. But it's time we take figures like these seriously. We've gone too many years watching a government pretend the problem did not exist.

I can assure you that President Reagan is keenly aware of what is happening. I carried the figures to him myself. The President also knows that he is not going to get anywhere by ignoring the problem. He knows what agriculture means to the economy, and he knows that a strong agriculture will play a crucial role in the success of his program. Most importantly, the President realizes that agriculture will remain strong— only if government allows it to function freely.

That is why the President was so anxious to fulfill his campaign promise to end the Soviet grain embargo. And I would like to thank each of you for the support you gave the President as he searched for the opportunity to effectively end this very ineffective action taken by the previous administration.

I think we all know that it's going to take a long time to regain what we lost because of the embargo. Our talks in London, and later in Vienna, were solid first steps that led to the one-year extension in the current agreement. That extension was an important step, because it allows us the time needed to negotiate for a new agreement.

Today, I am happy to announce that our plans have been completed for those new consultations with the Soviet Union. We have agreed to meet on September 30 and October 1 in Moscow to begin consultations on additional grain sales. I am also happy to announce that the United

States team will be led by the Department of Agriculture, which will also be responsible for conducting the negotiations on behalf of the United States. Joining us at the table will be representatives of the U.S. Trade Office, and the Departments of State and Transportation.

Another step we have recently taken was to modify the provision calling for purchases to be spaced evenly throughout the entire year of the extended agreement. In a recent telegram to Moscow, we said it would be acceptable for shipments of the basic quantities to be concentrated in the early part of the year. This is an important step, in light of the current supply situation.

I can assure you that we are doing everything that is possible—taking every step necessary—to undo the great amount of damage that was caused. Success won't come overnight, but we are heading in the right direction.

This is the attitude that we must also have when we view the President's Economic Recovery Plan. This program is not a crash plan designed for overnight success. Crash programs are designed to give a quick lift to the economy, but in reality they have left us worse off than when we started. What we have to remember is that the administration is trying to undo something that has been going on for a long, long time. When it has taken years—even decades—to get into such an economic mess, then we should not be surprised if it takes more than just a few months to get out. We can't expect miracles, but we can expect results.

President Reagan has already shown us that he has the common sense to recognize the real problems, the willingness to plan an attack, and most important of all—the courage to carry it out. We have already seen results. In just six months and eight days, he was able to reform the federal budget and secure passage of the largest single tax cut in the history of this nation.

This tax package is important. Not only does it provide relief on income taxes, but it also contains a capital cost recovery system that can be of great benefit in many of your operations. I want to also re-emphasize the tremendous reform made in estate taxes. This portion of the package, which makes the marital deduction unlimited, is something we have been wanting for a long time. It means that estates can be transferred between husbands and wives—tax free. We all know

what that means to those families—your families—that want to keep the family farm intact as it passes from generation to generation.

I'd like to shift gears for a moment and make some general comments about the farm bill which is being considered this month in Congress. Our basic intention with this bill is to put agriculture back into the hands of the people who are responsible for the productivity of our nation's food and fiber. We want to create an atmosphere that will allow you to carry out your work in a free-market climate.

I am an advocate of market-oriented agriculture. I know you feel that way, too. We know that it works. But again, this will not all happen overnight. In some areas it will take time to soften the shock that is bound to come when you withdraw from years of government interference. But in the long run, I don't think any of us want to use the federal treasury to give our industry a cosmetic complexion. And I will do everything in my power to keep this from happening. We want profitability—but not at the taxpayer's expense. The greatest gift government can give to agriculture is opportunity.

This is the same opportunity that President Reagan is offering to the entire nation. It is the most important aspect of his economic program, because it underscores his sincere belief in the people of this nation. In agriculture, the President needs people like yourselves—the leaders and the pacesetters—to provide the strength, and power, and the patience to let it happen. The President wants to clear the road—and he'll do it. The rest will be up to you.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

CROP INSURANCE CLOSING DATES EXTENDED FOR WINTER-PLANTED WHEAT AND BARLEY

WASHINGTON, Aug. 28—Winter wheat and barley farmers in 12 states will have an additional month to sign up for federal crop insurance, according to Secretary of Agriculture John R. Block.

Block said the U.S. Department of Agriculture's Federal Crop Insurance Corporation has extended its closing dates for insurance on these crops from Aug. 31 to Sept. 30 in Colorado, Kansas, Maine, Massachusetts, Nebraska, New Hampshire, New Mexico, Oklahoma, South Dakota, Texas, Vermont and Wyoming. The closing date in all other states already was set for Sept. 30 or later, he said.

"The rapid changes experienced by FCIC as a result of its expanded crop insurance efforts demand that farmers be given extra time to learn about and consider the benefits of federal crop insurance, " said Block. "Crop insurance is especially important to farmers now in light of the termination of the disaster payments program."

Block said weather conditions around the country indicate little actuarial risk in extending the closing dates on these crops.

"Extending the closing dates gives farmers valuable extra time in considering the importance of the expanded crop insurance program," Block said.

In addition, Block said expanded farmer participation in the crop insurance program has also acted to reduce risk.

"Insured crop acreage has doubled from 1980 to 1981," said Block, "and is expected to double again for 1982."

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USDA TASK FORCE ISSUES RECOMMENDATIONS FOR BANKRUPT GRAIN ELEVATORS

WASHINGTON, Aug. 31—A U.S. Department of Agriculture task force has recommended an "early warning system" to detect grain

elevators that may be developing financial problems, and has recommended measures to safeguard the interests of farmers and the government in potential elevator bankruptcies.

The task force report calls for a joint federal-state study group to establish minimum net worth standards for commercial elevators, improved audit procedures and increased coordination of government grain elevator licensing requirements.

The report has been submitted to an executive committee headed by Ray Lett, executive assistant to Secretary of Agriculture John R. Block. The executive committee now will assess the recommendations and forward them to Block.

Lett said the recommendations—published today in a 60-page report—will serve as the starting point for further action, both administrative and legislative, in dealing with the bankruptcy problems.

"It is essential to the orderly marketing of agricultural products for farmers to have a sound grain warehouse system they can depend on," said Lett.

"To have such a system, we suggest requiring warehousemen to file an annual certified financial statement prepared by an independent certified public accountant. This statement should serve to assure both farmers, financial institutions and USDA of the financial soundness of the elevator.

"The possibility of grain elevator bankruptcies continues to create uncertainty for U.S. farmers and impedes the administration's push toward greater reliance on open, free markets to provide farmers' incomes," he said.

"Our recommendations focus on ways to detect early those grain elevators with possible financial problems and to alert farmers when USDA action is initiated. Our recommendations deal less with what could be done after an elevator does go bankrupt," Lett said.

Individual copies of the report are available through the publications section, information division, room 24-W, USDA/ASCS, P.O. Box 2415, Washington, D.C., 20013. Or call (202) 447-4122.

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MELVIN E. SIMS NAMED CHAIRMAN OF FCIC; WAYNE A. FLETCHER APPOINTED PRESIDENT

WASHINGTON, Aug. 31—Secretary of Agriculture John R.Block has appointed Melvin E. Sims as chairman of the U.S. Department of Agriculture's Federal Crop Insurance Corporation. He also has appointed Wayne A. Fletcher as FCIC president, that agency's second-ranking position.

The two positions previously were "manager" and "deputy manager."

Sims served for 21 years as chairman of the board and president of GROWMARK, Inc., an Illinois agribusiness firm with annual sales of about $2 billion. He retired from GROWMARK in Sept. 1980 and began working for FCIC in May 1981.

Sims previously served as director and chairman of Agricultural Cooperative Development International, National Council of Farmer Cooperatives, and the Foundation for American Agriculture, all of Washington, D.C. He has served as a member of the Federal Farm Credit Board and as a Director of the Farm Credit Bank of St. Louis. He is listed in Who's Who in America.

Sims has served on the boards of directors of the National Cooperative Refinery Association of McPherson, Kan.; Farmers Export Company of Kansas City, Mo.; and as the GROWMARK shareholder representative of CF Industries, Inc., of Long Grove, Ill.

A native of Adams County, Ill., Sims is a 1941 graduate of the College of Agriculture, University of Illinois.

Sims is a fourth generation farmer who presently operates a 1,220-acre grain and livestock farm at Liberty, Ill., in a partnership with his brother and son. They farrow and finish about 2,000 hogs per year.

Wayne A. Fletcher previously worked as staff consultant for the Agriculture Committee of the U.S. House of Representatives; as an agricultural assistant to Rep. Edward Madigan (R-Ill.); as a legislative assistant to Sen. Charles Percy (R-Ill.); and as acting minority staff director for the U.S. Senate Select Committee on Nutrition and Human Needs.

Prior to his work on Capitol Hill, Fletcher worked at the U.S. Civil Service Commission; as a legislative aide to the Illinois State Senate Agriculture Committee; and for Management Safeguard, Inc., a Chicago-based management consulting firm.

Fletcher earned a bachelor's degree in American government from Monmouth College, Monmouth, Ill., and a master's degree in public administration from American University, Washington, D.C.

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NATIONAL PESTICIDE COMPUTER INFORMATION SYSTEM IN THE MAKING

WASHINGTON, Aug. 31—A computerized system for fast retrieval of facts about pesticides is expected to be in operation at many terminal points in the United States within three years.

Anson R. Bertrand, director of science and education for the U.S. Department of Agriculture, today announced USDA is providing $100,000 to Purdue University, Lafayette, Ind., for the initial phase of the project. USDA and Purdue will cooperate in setting up the new system.

In the beginning, Bertrand said, the project's aim will be to provide quick and reliable information about the registration status of pesticides being used throughout the country. Later, more information about pesticides will be included.

Eventually, the system also will help agricultural experts assess the effectiveness and benefits of various pesticides.

Bertrand said researchers and other user groups now have no completely reliable method for keeping track of the many pesticide registrations, deregistrations, evaluations and re-evaluations from either the states or from the federal government.

Plans are to establish the new system in three phases—planning by USDA, Purdue and other potential users, testing and implementation.

When put into full use, the national pesticide computer information system will be available to users such as state departments of agriculture, industry, state researchers, Cooperative Extension Services and federal researchers.

Farmers and ranchers will be able to use the system through the land grant institutions.

Richard H. Collier of the Indiana State Chemist Office at Purdue University will direct the project, and Nancy N. Ragsdale, pesticide

impact assessment coordinator of USDA's Cooperative State Research Service, will coordinate the study.

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$900 MILLION ELECTRIC POWER LOAN BACKED BY USDA

WASHINGTON, Aug. 31—People in remote areas of four western states will get more electric power as the result of a $900 million loan backed by the U.S. Department of Agriculture, plus a private loan that pushes the total past $1 billion.

Harold V. Hunter, administrator of USDA's Rural Electrification Administration, today announced the loan guarantee to Deseret Generation and Transmission Cooperative, Sandy, Utah.

The cooperative will provide electric service to more than 125,000 rural people spread over vast areas of Utah, Wyoming, Nevada and Arizona.

The loan guarantee will provide partial financing for construction of a 360-megawatt coal-fired generating unit near Bonanza, Utah, said Hunter. The project also includes construction of 276 miles of transmission line and related facilities, and development of a coal mine to fuel the plant.

Private funds in a 5-year $330 million loan from the National Rural Utilities Cooperative Finance Corporation (CFC) will supplement the USDA loan, Hunter said, providing the balance of funding for the project.

In approving the loan guarantee, his first as administrator of the USDA electrification agency, Hunter said the arrangements with CFC accomplish the dual purpose of expanding REA's ability to meet the requirements of all its borrowers and further introduce private capital into the arrangement.

"This type of financing," he said, "does not increase the cost of the project; nor will it increase the cost to Deseret members. This arrangement allows REA borrowers to take advantage of existing private financing arrangements open to electric cooperatives through the Cooperative Finance Corporation."

Deseret Generation and Transmission Cooperative supplies wholesale power to six member distribution systems. These power requirements now are met through self-generation purchases from the Western Area Power Administration and from Utah Power and Light Company.

Hunter said the cost of providing power for rural people is high because many miles of electric lines must be installed per person served.

REA provides loans and loan guarantee commitments to about 2,000 rural electric and telephone systems throughout the United States.

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USDA RESTRICTS AUSTRIAN HORSE IMPORTS BECAUSE OF CEM

WASHINGTON, Aug. 31—Horses imported from Austria will face new restrictions because of a recent finding of contagious equine metritis—a venereal disease of horses, according to John K. Atwell, a deputy administrator of the U.S. Department of Agriculture's Animal and Plant Inspection Service.

Atwell said import restrictions apply primarily to breeding animals. Geldings and horses under two years of age are not affected.

According to Atwell, Austria may no longer export mares of breeding age to the United States. Stallions over two years of age can be imported if they have been treated with an approved medication under government supervision and found to be negative for contagious equine metritis on three successive tests. They must then pass the USDA port-of-entry quarantine and be consigned to a state that has agreed to carry out further inspections, precautionary treatments and testing under state quarantine, he said.

The new outbreak makes Austria the 11th nation affected by this highly transmissable disease. Other affected countries are Australia, Belgium, Denmark, France, Ireland, Italy, Japan, United Kingdom, West Germany and the United States. The disease was discovered in 1977.

Atwell said the disease was reported to have been introduced into Austria by a stallion imported from West Germany. Several mares were infected during breeding at a stud farm at Killern, in Austria's Korneuburh District. The disease was diagnosed by laboratory culturing on July 17.

Contagious equine metritis is a highly contagious bacterial infection that primarily affects mares. It causes uterine infection and failure to conceive. The stallion is a carrier, and can be freed of the bacteria by disinfection followed by treatment of genitalia with specific antibiotics. Antibiotics can be used to free mares of the infection, but treatment is not always successful.

Notice of this action, which became effective Aug. 27, is scheduled for publication in the Aug. 31 Federal Register. Public comments, prior to official review, may be submitted through Oct. 30 to the deputy administrator, veterinary services, APHIS, USDA, 6505 Belcrest Rd., Hyattsville, Md., 20782.

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RHODE ISLAND AND MICHIGAN ASK USDA TO ASSUME MEAT AND POULTRY INSPECTION

WASHINGTON, Sept. 1—Because they can no longer continue funding their own meat and poultry inspection programs, Rhode Island and Michigan have asked the U.S. Department of Agriculture to assume responsibility for their state inspection programs.

According to Donald L. Houston, administrator of USDA's Food Safety and Inspection Service, USDA will begin administering meat and poultry inspection in Rhode Island Oct. 1 and meat inspection in Michigan Oct. 3. USDA assumed Michigan's poultry inspection program in 1971.

"The governors of both states have advised us the states can no longer continue funding their own inspection programs," Houston said.

"Under federal inspection law, states must give up their inspection programs if they cannot enforce requirements at least equal to those enforced at the federal level," Houston said. "When USDA assumes

responsibility for state programs it is usually voluntary, most often for financial reasons."

To ensure a smooth transition to the federal inspection program, USDA is working closely with officials in both states, Houston said.

The transition to federal inspection means about 38 meat and poultry plants now under state inspection in Rhode Island must apply for federal inspection services, he said. About 3 additional plants operating under various exemptions—such as custom slaughterers or low-volume plants—will also be reviewed to determine if federal inspection services are needed.

In Michigan, about 350 state-inspected meat plants and some 55 exempt plants will be affected.

When USDA assumes inspection responsibilities in Michigan and Rhode Island, it will be responsible for meat inspection in 23 states and poultry in 27 states. The two states are the third and fourth states where USDA has assumed inspection responsibilities this year.

Notice of the Rhode Island action was published in the Aug. 31 Federal Register and the Michigan notice will be published Sept. 2.

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HOW U.S. FARM EXPORTS CONVERT 1 BARREL OF OIL INTO 10

WASHINGTON, Sept. 2—American farm exports are transforming 1 barrel of oil into 10 barrels of oil.

This is the way it works.

In 1980, American farmers used the equivalent of 103 million barrels of oil to produce and ship the U.S. Agricultural commodities that were exported overseas.

U.S. farm exports generated $41 billion in cash receipts in 1980.

At the same time, this country spent $80 billion to buy 2.3 billion barrels of foreign oil to fill out U.S. energy requirements.

Consequently, American farm exports paid for slightly more than half of the oil imported into this country. In short, the 103 million barrels of oil used to grow and ship the farm products that were sold to other countries in 1980 made it possible to buy more than 1 billion

barrels of imported oil. That's a 1 to 10 cost-benefit ratio.
That's how America's farmers turned 1 barrel of oil into 10.

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PUBLIC INVITED TO DISCUSS FUNDING OF REGIONAL VETERINARY SCHOOL IN NEBRASKA

WASHINGTON, Sept. 2—A U.S. Department of Agriculture study team will hold a public meeting in Lincoln, Neb., Sept. 10 to discuss the possibility of the federal government helping to fund a $29 million regional veterinary school there.

The meeting will begin at 4 p.m. at the Nebraska Center for Continuing Education, 33rd and Holdrege, University of Nebraska.

Nebraska is seeking $13,381,794 in federal support for the school, which also would serve Montana, North Dakota, South Dakota and Wyoming.

There now are 27 colleges of veterinary medicine in the United States.

Anson R. Bertrand, USDA director of science and education, said the public session is part of a one-day meeting with state and university officials, veterinary associations, producer and commodity groups and others.

"USDA is looking at national and regional trends in veterinary medical education to determine whether federal funding should be provided to plan and build a regional college of veterinary medicine in Nebraska," said Bertrand.

Under the Food and Agriculture Act of 1977, which authorizes grants to establish schools of veterinary medicine, the states would have to match the amount provided by the federal government. And, when the government provides money for a new school, it must provide a comparable amount to be divided among existing schools of veterinary medicine.

Written comments should be sent to Lark Carter, chairman, Feasibility Study Team, Science and Education, Room 330-A, U.S. Department of Agriculture, Washington, D.C. 20250.

Raymond Loan of Texas A&M University at College Station is coordinating the study.

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NAVEL ORANGE GROWERS TO VOTE ON MARKETING ORDER OCT. 14-24

WASHINGTON, Sept. 2—California and Arizona navel orange growers will vote Oct. 14-24 on whether to continue the federal marketing order regulating the handling of their crop.

The U.S. Department of Agriculture has scheduled the referendum because of differences of opinion within the orange industry about whether growers currently support the program, said Mildred Thymian, administrator of USDA's Agricultural Marketing Service.

The current marketing order has been in effect since 1953 and is locally administered by a navel orange administrative committee under the supervision of USDA's Agricultural Marketing Service. Rules under the order establish quantities of navel oranges that handlers can ship in fresh form to U.S. and Canadian markets each week as a means of spreading the supply over the season.

To continue, the program must be approved by at least three-fourths of the producers voting or producers who account for two-thirds of the navel orange volume represented in the referendum, Thymian said.

Eligible voters must have produced navel oranges between Nov. 1, 1980, and Aug. 31, 1981.

USDA will mail ballots and voting instructions to growers before the referendum starts. Any grower not receiving a ballot should contact Roland G. Harris, AMS, USDA, 845 S. Figueroa St., Suite 540, Los Angeles, Calif., 90017-phone: (213) 798-3190; or Billy J. Peighhal, manager, Navel Orange Administrative Committee, 117 W. Ninth St., Rm. 913, Los Angeles, Calif., 90015—phone: (213) 627-3041.

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USDA TO GIVE EARLIER PRICE NOTICE IN 29 MILK ORDERS

WASHINGTON, Sept. 2—Under changes the U.S. Department of Agriculture is making in 29 federal milk marketing orders, milk processors and dairy farmers will now know earlier than they have in the past the price dairy farmers will be paid for milk used to make ice cream, yogurt and cottage cheese.

The preliminary estimate of milk prices will tell proprietary and cooperative handlers and dairy farmers by the 15th day of the prior month what the cost of the milk that will be used for these manufactured dairy products will be during the month of manufacture. Previously, there was no firm indication of the milk price until the month was over, said Herbert L. Forest, an official with USDA's Agricultural Marketing Service.

The new procedures, which went into effect Sept. 1, were approved by more than the required number of affected farmers—two-thirds or three-fourths—for each marketing order. Federal law requires that producers approve amendments to milk orders.

"Handlers will learn the final price no later than the fifth day of the next month," Forest said. "And this price can't be less than the Class III price for that same month."

Under the orders, farmers actually receive one payment that is a "blend" of three milk classes based on how the handlers use the milk. Class I milk—the highest valued milk—is used for drinking. Class II prices cover milk that is used to make such products as yogurt, cottage cheese and ice cream. Class III is for lower valued milk used to make butter, hard cheese and nonfat dry milk.

The determination of producer approval under each of the 29 milk marketing orders followed a public hearing, held in Clayton, Mo., in August 1980, and other USDA rule-making steps that gave the public a chance to take part in the decision-making, Forest said. The hearing was forced by an order of the U.S. Court of Appeals in the District of Columbia, which ruled the existing way of announcing prices was invalid. The court acted in a suit brought by a group of handlers.

The 29 milk orders that are affected by the new procedure are: St. Louis-Ozarks, Georgia, Tennessee Valley, Chicago Regional, Southern Illinois, Louisville-Lexington-Evansville, Indiana, Central Illinois,

Greater Kansas City, Nebraska-Western Iowa, Upper Midwest, Neosho Valley, Wichita, Eastern South Dakota, Iowa, New Orleans-Mississippi, Greater Louisiana, Memphis, Nashville, Paducah, Fort Smith, Red River Valley, Oklahoma Metropolitan, Central Arkansas, Lubbock-Plainview, Texas, Central Arizona, Texas Panhandle and Rio Grande Valley.

A copy of the new procedure is available from the market administrators for the orders or from: Dairy Division, AMS, USDA, Washington, D.C. 20250.

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USDA PROTECTS 8 NEW SEED VARIETIES

WASHINGTON, Sept. 2—The developers of several new varieties of sunflowers, Kentucky bluegrass, cotton, onions and garden beans have been issued certificates of protection by the U.S. Department of Agriculture.

The certificates give the developers the exclusive right to produce the varieties in the United States for 18 years, according to Thomas H. Porter, an official with USDA's Agricultural Marketing Service.

Developers and their new varieties are: Interstate Seed Co., Fargo, N.D., for sunflower IS 2168, IS 2501 and IS 3401; New Jersey Agricultural Experiment Station, New Brunswick, N.J., for Eclipse Kentucky bluegrass; Zelder B.V., Ottertsum, The Netherlands, for Apart Kentucky bluegrass; Custom Ag Service, Inc., Loraine, Texas, for Cascot BR-1 cotton; Asgrow Seed Co., Kalamazoo, Mich., for Win garden bean; and Dessert Seed Co., Inc., El Centro, Calif., for Early Grand PRR onion.

The Cascot BR-1 cotton will be sold by variety name only as a class of certified seed.

Certificates of protection are granted after a review of the breeders' records and claims that each new variety is novel, uniform and stable.

USDA's Agricultural Marketing Service, which administers the plant variety protection program, provides patent-like marketing protection to developers of new and distinctive seed-reproduced plants ranging from farm crops to flowers.

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MEDFLY QUARANTINES EXTENDED IN CALIFORNIA

WASHINGTON, Sept. 3—The U.S. Department of Agriculture has extended the federal Mediterranean fruit fly quarantines in California to include 105 square miles in eastern Los Angeles County, 650 square miles in northern San Benito County, and all of Santa Cruz County.

Part of Santa Cruz and Stanislaus Counties, along with Santa Clara, San Mateo and Alameda Counties, were already under federal regulation to help halt spread of the pest. The federal quarantines parallel already existing California quarantines.

"Last week we found Medflies in Santa Cruz and San Benito Counties—for the most part along major intercounty roads," said Harvey L. Ford, deputy administrator of USDA's Animal and Plant Health Inspection Service. "This indicates that people are evading regulations against bringing Medfly hosts out of the area and are probably responsible for this latest spread."

The Los Angeles County infestation, centered in Baldwin Park, is concentrated in a several-block area, Ford said.

"Evidently we caught this infestation at a very early state," Ford said. "This will make it easier to eliminate."

The quarantines require many kinds of fruits, vegetables, nuts and ornamental plants to be fumigated or subjected to low temperatures for specified times to kill Medflies before the produce is allowed out of the quarantined area. State regulations govern movement within the state, while federal regulations govern movement out of California.

The areas were selected for regulation under revised guidelines recommended by a state-federal technical advisory committee, which includes a member from Mexico as a representative of the international community. The guidelines provide for regulating a minimum of 81 square miles after a single fly find and as many as 900 square miles in areas of special risk of spread.

Because of the emergency situation, the quarantine became effective upon publication in the Sept. 2 Federal Register.

Public comments will be accepted until Nov. 2 by the Regulatory

Support Staff, Plant Protection and Quarantine, APHIS, USDA, Federal Bldg., Hyattsville, Md., 20782.

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ITALY HALTS U.S. CATTLE, SHEEP IMPORTS BECAUSE OF BLUETONGUE

WASHINGTON, Sept. 3—Italy has closed its import doors to U.S. cattle and sheep because of bluetongue—a viral disease that affects some U.S. livestock. In taking the action, Italy becomes the last member country of the European Common Market to halt such imports, a U.S. Department of Agriculture official said today.

The Common Market adopted the restriction about a year and a half ago, but Italy had allowed U.S. cattle to enter Europe through its ports until now, said John Atwell, deputy administrator of USDA's Animal and Plant Health Inspection Service.

During 1979, the U.S. exported $40 million worth of cattle worldwide. Of this figure, $2.5 million was exported to EEC members, including nearly $1.5 million to Italy. By 1980, the EEC restrictions had cut U.S. exports to nearly $330,000 to Italy.

Atwell said the embargo is based on the fact that some U.S. cattle are infected with bluetongue, a virus disease which affects cattle, sheep, goats and other ruminants. The disease is spread by small biting gnats—sometimes called sand flies, biting midges or "no-see-ums."

USDA and the U.S. State Department are working to protest the EEC requirements and re-establish trade with Europe, Atwell said.

"We don't believe bluetongue is a serious threat in the cooler climate of European countries," Atwell said. "It's not a problem in the northern United States and in Canada where the biting insects do not appear to transmit the disease. Also, we think we can develop procedures to safely ship animals from certain areas of the U.S."

Bluetongue is particularly damaging to sheep. Under certain circumstances, up to half the infected animals can die. In cattle and goats the disease causes abortions and birth defects.

Bluetongue is most prevalent in the southern and southwestern United States. A recent USDA survey showed most northern and

northeastern cattle are nearly free of the disease.

Canada has long been concerned with bluetongue, Atwell said, but permits U.S. cattle to be imported after they have undergone rigid testing. During the past year, Australia dropped its long-standing embargo of U.S. cattle and sheep and instituted a quarantine procedure. Animals are permitted to move "down under" during the fall and winter in the northern hemisphere.

"We spend a lot of time worrying about keeping foreign diseases out of the United States," Atwell said. "This is one case where we've got something other countries don't want and we'll be dealing with bluetongue for a long time to come.

#

USDA ISSUES NEW FOOD STAMP RULES, TO BE EFFECTIVE OCT. 1

WASHINGTON, Sept. 3—New U.S. Department of Agriculture rules aimed at saving $1.3 billion in federal costs in the food stamp program for fiscal year 1982 will change the way food stamp eligibility is determined and how benefits are calculated beginning Oct. 1.

According to Mary C. Jarratt, assistant secretary of agriculture for food and consumer services, the new rules will implement portions of the Omnibus Reconciliation Act of 1981.

Highlights of the regulations are:

—The regulations set a gross monthly income eligibility limit for all food stamp households except those with elderly or disabled members. Under present law, eligibility is determined on the basis of a household's net monthly income, a figure derived by subtracting the $85 food stamp "standard deduction" and any other allowable child care, excess shelter, earned income, or medical deductions from the household's gross monthly income.

Starting Oct. 1, eligibility will be calculated using a household's gross monthly income, before deductions. Under the new rules, households whose gross incomes exceed 130 percent of the official poverty line will be declared ineligible. This change is expected to save

$244 million. The new gross monthly income limit for a family of four is $916, or around $11,000 annually.

—The regulations alter the definition of a food stamp "household," and ban benefits to boarders and strikers. Current program rules enable a household that meets the income and assets limits to get food stamps, even if the household's low income is the result of a family member on strike.

After Oct. 1, striker households that apply for stamps will be denied benefits unless they were eligible to receive food stamps before the strike began. These eligible households, however, will not be entitled to increased benefits under the new rules.

All told, the changes in eligibility rules will save $355 million next year, Jarratt said.

—A new rule will pro-rate a household's first month's benefits. Existing rules permit a household joining the food stamp program to get a full month's allotment, regardless of the day of the month that it applies. Beginning Oct. 1, a household will receive benefits from the day that it applies instead of for the whole month. This change will save $411 million in fiscal year 1982.

—Another change will index the standard and child care-excess shelter deductions less frequently. Presently, the food stamp program grants all households a standard deduction of $85 and permits households with child care and/or unusually high shelter costs a combined deduction of up to $115 for these expenses. Existing rules provide for an annual update of both deductions each January.

The new regulation will freeze the standard and child care-excess shelter deductions at $85 and $115 until July 1983, and base the July increase on consumer price index data for the 15 months ending March 31, 1983. This change is expected to save $128 million in fiscal year 1982.

—Delaying the cost-of-living update of USDA's Thrifty Food Plan will save an additional $385 million. The plan was adjusted every January. Under the new rules adjustments will be scheduled for April 1982, July 1983, October 1984 and every October after that. USDA uses the plan to calculate how many food stamps a household may get. The size of a household's monthly benefit is determined by subtracting 30 percent of the household's net income from the amount of money it

would cost to feed a household its size according to the plan. A family of four with no income now gets $233.

—Households that have earned income will be permitted to deduct 18 percent of their gross earnings, rather than the current 20 percent, to offset work-related expenses under new rules covering the "earnings disregard." This decrease in the amount a household with earnings can deduct for work expenses will more accurately reflect work related expenses of food stamp households and is expected to save $49 million in fiscal year 1982. Approximately 20 percent of the food stamp program's 8 million households have earned income.

Notice of the rule changes will be published in the Sept. 4 Federal Register. Comments on the new rules should be sent by Jan. 4 to Alberta Frost, deputy administrator for family nutrition programs, Food and Nutrition Service, USDA, Washington, D.C., 20250.

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NEW RULES PROPOSED FOR APPLE JUICE, APPLESAUCE; CHANGES MADE FOR MIXED NUTS

WASHINGTON, Sept. 3—In response to people's changing food preferences, the U.S. Department of Agriculture wants to revise the grade standards for certain apple juices and applesauces and already has changed the rules for mixed nuts.

Mildred Thymian, administrator of USDA's Agricultural Marketing Service, outlined the changes and new rules:

—Apple juice: The proposed grade standards would allow less sugar in the higher grades of apple juice to meet consumer preferences for a less sweet product.

Under this change, the minimum Brix requirement for U.S. Grade A would be lowered from 11.5 degrees Brix to 11.0 degrees.

"Brix" is the percent of sugar in the product.

—Applesauce: Again, the proposed changes in grade standards for this product reflect consumer preference for a less sweet product.

"The proposed rule would reduce the minimum Brix for U.S. Grade A sweetened applesauce from 16.5 degrees Brix to 15.5 degrees Brix," Thymian said.

"These proposals for apple juice and applesauce reflect different processing techniques, differences in growing conditions in various parts of the country and increased use of more varieties of apples in the manufacture of the products," Thymian said.

For both apple juice and applesauce, the changes would simplify the rules and make them easier to read.

The proposed revisions of standards for apple juice and applesauce were requested by Processed Apple Institute, Inc., a national organization composed of 25 apple processors.

Written comments about the proposed changes for apple juice and applesauce should be sent, in duplicate, before Oct. 30 to the Hearing Clerk, U.S. Department of Agriculture, Room 1077, South Building, Washington, D.C. 20250.

—Mixed nuts: The final rule changes the minimum size requirement for Brazil nuts from large to medium in the top U.S. grade.

"Packages of mixed nuts must contain almonds, Brazil nuts, filberts, pecans and walnuts. All nuts in the mixture must be U.S. No. 1 or a high percentage of U.S. No. 1 quality to meet any mixed nut grade.

"Large Brazil nuts, however, often lack the quality necessary to meet this requirement," Thymian said. "Medium size Brazils, on the other hand, are more consistent in quality and more plentiful. Therefore, the revision will help assure an adequate supply of Brazil nuts for use in mixed nuts."

Comments received from major mixed nut packers supported USDA's May 15 proposal to change the minimum size requirements for Brazils. The proposed grade name changes in the original proposal have been removed from the final rule. The current grade names—U.S. Extra Fancy, U.S. Fancy and U.S. Commercial/Select—will remain in effect.

Apple juice, applesauce and mixed nuts are only a few products for which USDA's Agricultural Marketing Service establishes grade standards and provides grading services. Use of the grade standards and grading services is voluntary. Industry users pay for the grading work.

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WATERSHED PROJECTS IN SIX STATES TO RECEIVE PLANNING ASSISTANCE

WASHINGTON, Sept. 3—Watershed projects in Idaho, Illinois, Indiana, Maine, Ohio and Oklahoma were approved today to receive planning assistance from the U.S. Department of Agriculture.

Norman A. Berg, chief of USDA's Soil Conservation Service, said the people in local offices of the agency will provide help to sponsors of the six projects under the Watershed Protection and Flood Prevention Act of 1954.

Assistance includes investigations and surveys necessary to develop plans to protect the watersheds from erosion and siltation and to prevent flooding.

Some small watershed projects also provide fish and wildlife habitat, assure improved public water supplies and increased water-based recreation opportunities for the public.

The newly authorized projects are:

—Hazelton Butte Watershed, Jerome County, Idaho.

—Ash-Loop Creek Watershed, St. Clair County, Ill.

—Bruce Lake Watershed, Fulton and Pulaski Counties, Ind.

—Sebasticook Lake Watershed, Penobscot and Somerset Counties, Maine.

—Upper Killbuck Creek Watershed, Medina and Wayne Counties, Ohio.

—Deer Creek Watershed, Blaine, Caddo, Custer and Dewey Counties, Okla.

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REDUCED ACREAGE PROGRAM ANNOUNCED FOR 1982 WHEAT

WASHINGTON, Sept. 3—Secretary of Agriculture John R. Block today announced his intentions to implement a 15 percent "reduced acreage" program for the 1982 wheat crop to offset the effects of record supplies and depressed wheat prices.

Program operating procedures will be issued after pending farm legislation is enacted into law.

"Wheat supplies in the United States are 14 percent above last year," Block said. "The carryover next June is expected to exceed 1 billion bushels, the highest level since 1977-78. The reduced acreage program will strengthen prices by reducing the 1982-83 marketing year supplies."

Block said the increase in supplies and decrease in prices is the result of two successive record U.S. wheat crops and a record- setting 1981 world harvest.

The program will be voluntary so producers can decide for themselves, based on market conditions, whether they want to participate. Program benefits, however, will be tied to participation.

"Soil conservation will be strongly stressed in this program," Block said. "The reduced acreage will have to be devoted to conservation uses."

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PROPOSED USDA REGULATIONS WILL REDUCE COSTS FOR SCHOOL FOOD PROGRAMS

WASHINGTON, Sept. 4—The U.S. Department of Agriculture is proposing revisions in meal pattern requirements for federally-assisted school food programs to simplify meal requirements and help reduce costs to the schools.

"The proposed changes are designed to maintain the nutritional balance of the oldest federal feeding program in the country, while at the same time providing state and local officials more flexibility in controlling costs and simplifying administration," said Mary C. Jarratt, assistant secretary for food and consumer services.

The new meal patterns are designed in part to reduce meal production cost of a school lunch—between 8 and 10 cents—thereby offsetting a portion of the reduction in federal subsidy resulting from the enactment of the Omnibus Reconciliation Act of 1981.

Jarratt said the proposal would:

—Simplify program administration by reducing the number of meal patterns from five to three. The patterns would no longer be tied to children's specific ages or grades, but would be broadly defined as "preschool," "elementary" and "secondary." States or local programs

would be allowed to use their own definitions of these three categories, basing their determinations on the ages of the children they serve.

—Make meal pattern portion sizes consistent for the school lunch, school breakfast and child care programs.

—Reduce the minimum quantity of food required to be served to reduce plate waste and meal costs, thereby accomplishing cost savings at the local level. Schools and child care institutions would still be required to offer foods from each of four food components: meat or meat alternate; vegetable or fruit; bread or bread alternate; and milk.

—Expand the list of allowable meat alternates to include food items such as nuts and seeds, yogurt and tofu. These foods would be added in response to public requests, and in an effort to increase flexibility in menu planning for schools and institutions.

—Allow any food containing enriched or whole-grain flour or meal; or enriched, whole-grain or fortified cereal as its primary ingredient, to contribute to the bread or bread alternate requirement. All foods on the list of acceptable bread or bread alternates also would be allowed to contribute toward the requirements in any child nutrition program.

—Delete the current requirement for schools to serve lowfat milk, and place the decision as to type of milk to be served at the local level. Schools and institutions also would have the option to offer yogurt as a milk alternate as well as a meat alternate. These changes would increase flexibility and simplify program administration.

While required amounts of food have been reduced, Jarratt said, meals based on the proposed patterns would continue to furnish more than a third of a child's recommended dietary allowances for protein, vitamin A, riboflavin, niacin and vitamin B-12. Other nutrients reach about one-fourth the recommended dietary allowances or greater except for calories and iron, which have always been less than the overall pattern goal, she said.

The national school lunch program currently provides nutritious lunches to 26 million children in over 94,000 schools nationwide. Nearly 35,000 schools participate in the school breakfast program, and provide breakfast to 4 million children. The child care food program operates in 61,800 child care institutions and day care homes, and provides both meals and snacks to 850,000 children. Both schools and child care institutions are required to serve meals that meet the

nutritional standards established by USDA, and are reimbursed by USDA for the meals they serve to eligible children.

The proposals are scheduled to be published in the Sept. 4 Federal Register. Comments should be send before Oct. 4 to Cynthia Ford, branch chief, room 556, technical assistance branch, nutrition and technical services division, Food and Nutrition Service, USDA, Washington, D.C., 20250.

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NATIONAL POULTRY IMPROVEMENT PLAN COMMITTEE TO MEET SEPT. 22 - 23

WASHINGTON, Sept. 4—Members of the general conference committee of the national poultry improvement plan will meet to discuss poultry health and other poultry issues Sept. 22-23 in room 2-W of the U.S. Department of Agriculture's Administration building, Washington, D.C.

The meetings, which are open to the public, will begin at 9 a.m. both days. The Sept. 22 meeting will end at 5:30 p.m. and the Sept. 23 meeting will end at noon.

The agenda includes:

—Recommendations about certifying flocks and products for export;

—Efforts to reduce the risk of introducing exotic Newcastle disease in the cage pet bird industry;

—Selecting participants for an animal welfare special work group; and

—Reviewing proposed changes in the national poultry improvement plan disease-control provisions.

Notice of the meeting is scheduled to be published in the Sept. 4 Federal Register.

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